
A BILL FOR AN ACT

RELATING TO GAMING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

PART I

SECTION 1. The Hawaiian Homes Commission Act, 1920, as amended, is amended by adding a new section to be appropriately designated and to read as follows:

"§ . Gaming; commission authority. (a) The commission shall have the authority to determine whether casino gaming operations shall be allowed on Hawaiian homelands pursuant to chapter , Hawaii Revised Statutes. Authority for casino gaming operations on Hawaiian home lands shall require an affirmative resolution approved by a majority vote of the commission.

(b) Upon authorization by the commission for casino gaming operations pursuant to subsection (a), the commission shall designate the specific parcels upon which gaming shall be allowed."

SECTION 2. Section 204.5, Hawaiian Homes Commission Act, 1920, as amended, is amended to read as follows:



1 "§204.5. Additional powers. In addition and supplemental
2 to the powers granted to the department by law, and
3 notwithstanding any law to the contrary, the department may:

4 (1) With the approval of the governor, undertake and carry
5 out the development of any Hawaiian home lands
6 available for lease under and pursuant to section 207
7 of this Act by assembling these lands in residential
8 developments and providing for the construction,
9 reconstruction, improvement, alteration, or repair of
10 public facilities therein, including, without
11 limitation, streets, storm drainage systems,
12 pedestrian ways, water facilities and systems,
13 sidewalks, street lighting, sanitary sewerage
14 facilities and systems, utility and service corridors,
15 and utility lines, where applicable, sufficient to
16 adequately service developable improvements therein,
17 sites for schools, parks, off-street parking
18 facilities, and other community facilities;

19 (2) With the approval of the governor, undertake and carry
20 out the development of available lands for homestead,
21 commercial, and multipurpose projects as provided in
22 section 220.5 of this Act, as a developer under this



1 section or in association with a developer agreement
2 entered into pursuant to this section by providing for
3 the construction, reconstruction, improvement,
4 alteration, or repair of public facilities for
5 development, including, without limitation, streets,
6 storm drainage systems, pedestrian ways, water
7 facilities and systems, sidewalks, street lighting,
8 sanitary sewerage facilities and systems, utility and
9 service corridors, and utility lines, where
10 applicable, sufficient to adequately service
11 developable improvements therein, sites for schools,
12 parks, off-street parking facilities, and other
13 community facilities;

14 (3) With the approval of the governor, designate by
15 resolution of the commission all or any portion of a
16 development or multiple developments undertaken
17 pursuant to this section an "undertaking" under part
18 III of chapter 39, Hawaii Revised Statutes; [~~and~~]

19 (4) Exercise the powers granted under section 39-53,
20 Hawaii Revised Statutes, including the power to issue
21 revenue bonds from time to time as authorized by the
22 legislature [~~-~~]; and



1 (5) Develop Hawaiian home lands, as authorized by the
2 commission pursuant to section , for the purpose of
3 establishing casino gaming operations subject to
4 chapter , Hawaii Revised Statutes.

5 All provisions of part III of chapter 39, Hawaii Revised
6 Statutes, shall apply to the department and all revenue bonds
7 issued by the department shall be issued pursuant to the
8 provisions of that part, except these revenue bonds shall be
9 issued in the name of the department, and not in the name of the
10 State.

11 As applied to the department, the term "undertaking" as
12 used in part III of chapter 39 shall include a residential
13 development or a development of homestead, commercial, or
14 multipurpose projects under this Act. The term "revenue" as
15 used in part III of chapter 39, shall include all or any portion
16 of the rentals derived from the leasing of Hawaiian home lands
17 or available lands, whether or not the property is a part of the
18 development being financed."

19 SECTION 3. Section 213.6, Hawaiian Homes Commission Act,
20 1920, as amended, is amended to read as follows:

21 "§213.6. Hawaiian home lands trust fund. (a) There is
22 established a trust fund to be known as the Hawaiian home lands



1 trust fund, into which shall be deposited all appropriations by
2 the state legislature and moneys pursuant to section -4(c),
3 Hawaii Revised Statutes, specified to be deposited therein.
4 Moneys of the Hawaiian home lands trust fund shall be expended
5 by the department, as provided by law, upon approval by the
6 commission and shall be used for capital improvements and other
7 purposes undertaken in furtherance of the Act[-]; provided that
8 moneys deposited pursuant to section -4(c), Hawaii Revised
9 Statutes, shall only be used to develop Hawaiian home land
10 communities, including the construction, reconstruction,
11 improvement, alteration, or repair of public and community
12 facilities. The department shall have a fiduciary
13 responsibility toward the trust fund and shall provide annual
14 reports therefor to the legislature and to the beneficiaries of
15 the trust.

16 (b) The commission may deposit moneys from the trust fund
17 into depositories other than the state treasury and may manage,
18 invest, and reinvest moneys in the trust fund. The commission
19 may hold, purchase, sell, assign, transfer, or dispose of any
20 securities and investments in which any of the moneys have been
21 invested, as well as the proceeds of the investments. Moneys
22 from the trust fund that are deposited into depositories other



1 than the state treasury shall be exempt from the requirements of
2 chapters 36 and 38. Any interest or other earnings arising out
3 of investments from the trust fund shall be credited to and
4 deposited into the trust fund."

5 PART II

6 SECTION 4. The Hawaii Revised Statutes is amended by
7 adding a new chapter to be appropriately designated and to read
8 as follows:

9 "CHAPTER

10 GAMING

11 § -1 Definitions. As used in this chapter:

12 "Casino gaming operation" means the operation of games
13 licensed under this chapter, including but not limited to
14 baccarat, twenty-one, poker, craps, slot machine, video game of
15 chance, roulette wheel, klondike table, punch-board, faro
16 layout, keno layout, numbers ticket, push card, jar ticket, pull
17 tab, or other game of chance that is authorized by the
18 commission as a wagering device.

19 "Commission" means the Hawaii gaming commission.

20 "Gross receipts" means the total of:

21 (1) Cash received as revenue from casino gaming
22 operations;



- 1 (2) Cash received in payment for credit extended by a
- 2 licensee to a patron for purposes of gaming; and
- 3 (3) Compensation received for conducting any game in which
- 4 the licensee is not party to a wager.

5 Gross receipts do not include counterfeit money or tokens, coins
6 of other countries that are received in gaming devices, cash
7 taken in fraudulent acts perpetrated against a licensee for
8 which the licensee is not reimbursed, and cash received as entry
9 fees for contests or tournaments in which individuals compete
10 for prizes.

11 "Individual" means a natural person.

12 § -2 Gaming commission; established; duties. (a)

13 There is established a Hawaii gaming commission within the
14 department of commerce and consumer affairs. The governor shall
15 appoint five members of the commission pursuant to section 26-
16 34.

17 (b) The commission shall:

- 18 (1) Establish the qualifications of any applicant for
- 19 licensure to conduct casino gaming operations under
- 20 this chapter; provided that an applicant shall be a
- 21 corporation properly incorporated in the state;



- 1 (2) Evaluate applicants and award casino gaming operation
2 licenses to responsive and qualified applicants who
3 submit a bid that is expected to best fit the needs of
4 the community located in an area designated by the
5 Hawaiian homes commission pursuant to section (b),
6 Hawaiian Homes Commission Act, 1920, as amended;
- 7 (3) Collect all taxes and fees imposed; and
- 8 (4) Regulate casino gaming operations established under
9 this chapter.

10 § -3 Gaming; where permitted. Licenses issued by the
11 commission pursuant to section -2(b) shall authorize casino
12 gaming operations only on Hawaiian home lands, as designated by
13 the Hawaiian homes commission pursuant to section , Hawaiian
14 Homes Commission Act, 1920, as amended.

15 § -4 Wagering tax; distribution. (a) A wagering tax
16 shall be imposed on the monthly gross receipts received from
17 casino gaming operations authorized under this chapter at the
18 rate of per cent. The wagering tax imposed by this
19 section shall be paid to the commission in lieu of all other
20 state taxes on gross or adjusted gross receipts, except income
21 taxes, including taxes levied under chapter 237. The commission



1 shall retain per cent for the administrative costs of the
2 commission.

3 (b) After deduction of the commission's administrative
4 costs, the tax collected under subsection (a) shall be allocated
5 as follows:

6 (1) Twenty per cent shall be deposited into the general
7 fund; and

8 (2) Eighty per cent shall be deposited into the Hawaiian
9 home lands trust fund under section 213.6, Hawaiian
10 Homes Commission Act, 1920, as amended.

11 § -5 Rules. The commission shall adopt rules under
12 chapter 91 to implement this chapter."

13 PART III

14 SECTION 5. The provisions of the amendments made by this
15 Act to the Hawaiian Homes Commission Act, 1920, as amended, are
16 declared to be severable, and if any section, sentence, clause,
17 or phrase, or the application thereof to any person or
18 circumstances is held ineffective because there is a requirement
19 of having the consent of the United States to take effect, then
20 that portion only shall take effect upon the granting of consent
21 by the United States and effectiveness of the remainder of these
22 amendments or the application thereof shall not be affected.



1 SECTION 6. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 7. This Act shall take effect on July 1, 2020.



Report Title:

Hawaiian Home Lands; Gaming

Description:

Authorizes the Hawaiian Homes Commission to allow gaming on Hawaiian Home Lands and to designate specific Hawaiian Home Lands parcels for the purposes of establishing casino gaming operations. Creates the Hawaii Gaming Commission to regulate casino gaming operations. Imposes a wagering tax on gross receipts of casino gaming operations and provides for distribution to the general fund and Hawaiian Home Lands Trust Fund. (HB2759 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

